



2007 ASSEMBLY BILL 824

February 19, 2008 - Introduced by Representatives STRACHOTA, TOLES, BERCEAU, ALBERS, A. WILLIAMS and VOS, cosponsored by Senator GROTHMAN. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.10 (3) (a), 71.10 (5) (b) 1., 71.10 (5) (g), 71.10 (5e) (b) 1., 71.10
2 (5e) (g), 71.10 (5f) (b) 1., 71.10 (5g) (b) 1. and 71.10 (5m) (b) 1.; and **to create**
3 71.10 (5s) of the statutes; **relating to:** limiting the number of individual income
4 tax checkoffs.

Analysis by the Legislative Reference Bureau

Under current law, an individual income tax check-off procedure exists that allows an individual who files a return to designate any amount of additional payment or any amount of a refund due for the endangered resources program. Similar checkoffs exist to provide payments to several other programs, including a veterans trust fund, prostate cancer research, multiple sclerosis programs, a fire fighters memorial, which is temporary and expires after \$400,000 is designated, and a breast cancer research program, and to provide a donation to a professional football stadium district.

For taxable years beginning after December 31, 2007, taxpayers may not have the opportunity to make such a designation to more than seven checkoffs, not including temporary checkoffs, and no temporary checkoffs may be created after December 31, 2007. The bill also prohibits the Department of Revenue (DOR) from placing more than seven checkoffs on the income tax form, and repeals the current law provision that requires DOR to highlight certain checkoffs with a symbol. If any checkoff is created after December 31, 2007, and before January 1, 2011, it may not appear on the tax form, and no designations may be made to the checkoff, before January 1, 2011.

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Beginning in September 2010, and every three years thereafter, the bill requires the secretary of revenue to rank the checkoffs in order of the amount of designations received during the previous three-year period.

If eight checkoffs exist, not including temporary checkoffs, only the top six checkoffs, in terms of designations received, may appear on the tax form for the next three years, and the seventh place on the tax form will be taken by a checkoff that hasn't received any designations during the previous three-year period.

If more than eight checkoffs exist, not including temporary checkoffs, only the top five checkoffs, in terms of designations received, may appear on the tax form for the next three years, and the sixth and seventh places on the tax form will be taken by checkoffs that haven't received any designations during the previous three-year period. The new checkoffs that appear on the form will be selected by the legislature.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.10 (3) (a) of the statutes is amended to read:

2 71.10 (3) (a) ~~Every~~ Subject to sub. (5s), every individual filing an income tax
3 return who has a tax liability or is entitled to a tax refund may designate \$1 for the
4 Wisconsin election campaign fund for the use of eligible candidates under s. 11.50.
5 If the individuals filing a joint return have a tax liability or are entitled to a tax
6 refund, each individual may make a designation of \$1 under this subsection.

7 **SECTION 2.** 71.10 (5) (b) 1. of the statutes is amended to read:

8 71.10 (5) (b) 1. 'Designation on return.' ~~Any~~ Subject to sub. (5s), any individual
9 filing an income tax return may designate on the return any amount of additional
10 payment or any amount of a refund due that individual for the endangered resources
11 program.

12 **SECTION 3.** 71.10 (5) (g) of the statutes, as affected by 2007 Wisconsin Act 20,
13 is amended to read:

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1 71.10 (5) (g) *Tax return.* The secretary of revenue shall provide a place for the
2 designations under this subsection on the individual income tax return and, on forms
3 ~~printed by the department of revenue, the secretary shall highlight that place on the~~
4 ~~return by a symbol chosen by the department of revenue that relates to endangered~~
5 ~~resources.~~

6 **SECTION 4.** 71.10 (5e) (b) 1. of the statutes is amended to read:

7 71.10 (5e) (b) 1. ‘Designation on return.’ ~~Every~~ Subject to sub. (5s), every
8 individual filing an income tax return who has a tax liability or is entitled to a tax
9 refund may designate on the return any amount of additional payment or any
10 amount of a refund due that individual as a football donation.

11 **SECTION 5.** 71.10 (5e) (g) of the statutes, as affected by 2007 Wisconsin Act 20,
12 is amended to read:

13 71.10 (5e) (g) *Tax return.* The secretary of revenue shall provide a place for the
14 designations under this subsection on the individual income tax return, and, on
15 ~~forms printed by the department of revenue, the secretary shall highlight that place~~
16 ~~on the return by a symbol chosen by the department that relates to a football~~
17 ~~stadium, as defined in s. 229.821 (6).~~

18 **SECTION 6.** 71.10 (5f) (b) 1. of the statutes is amended to read:

19 71.10 (5f) (b) 1. ‘Designation on return.’ ~~Every~~ Subject to sub. (5s), every
20 individual filing an income tax return who has a tax liability or is entitled to a tax
21 refund may designate on the return any amount of additional payment or any
22 amount of a refund due that individual for the breast cancer research program.

23 **SECTION 7.** 71.10 (5g) (b) 1. of the statutes is amended to read:

24 71.10 (5g) (b) 1. ‘Designation on return.’ ~~Every~~ Subject to sub. (5s), every
25 individual filing an income tax return who has a tax liability or is entitled to a tax

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1 refund may designate on the return any amount of additional payment or any
2 amount of a refund due that individual as a veterans trust fund donation.

3 **SECTION 8.** 71.10 (5m) (b) 1. of the statutes is amended to read:

4 71.10 **(5m)** (b) 1. 'Designation on return.' Every Subject to sub. (5s), every
5 individual filing an income tax return who has a tax liability or is entitled to a tax
6 refund may designate on the return any amount of additional payment or any
7 amount of a refund due that individual for programs for people with multiple
8 sclerosis.

9 **SECTION 9.** 71.10 (5s) of the statutes is created to read:

10 71.10 **(5s)** LIMITATIONS ON CHECKOFFS. (a) For taxable years beginning after
11 December 31, 2007, individuals may not have the option of making a designation to
12 more than 7 individual income checkoffs and the department may not place more
13 than 7 checkoffs on the tax income form. If a checkoff is created for taxable years
14 beginning after December 31, 2007, and before January 1, 2011, the department may
15 not place it on the form, and no designations may be made to the checkoff, for a
16 taxable year that begins before January 1, 2011. The limitations in this paragraph
17 do not apply to the checkoff under sub. (5fm).

18 (b) For taxable years beginning after December 31, 2007, there may be no
19 individual income tax checkoffs of a temporary nature other than the checkoff under
20 sub. (5fm).

21 (c) Beginning in September 2010, based on the amounts certified by the
22 secretary of revenue in August or September 2008, 2009, and 2010, as specified in
23 subs. (3) (b), (5) (h), (5e) (h), (5f) (h), (5g) (h), (5h) (h), and (5m) (h), and for every
24 3-year period thereafter, the secretary of revenue shall rank the checkoffs based on
25 the total amount of designations received for each checkoff for each 3-year period.

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1 For each 3-year period, beginning with 2011, the secretary of revenue shall rank
2 every checkoff that is created under this section.

3 (d) Subject to par. (e), if 8 checkoffs exist under this section after August 14,
4 2010, and every 3 years thereafter, not including the checkoff under sub. (5fm), only
5 the 6 highest ranking checkoffs for which designations were made in the previous
6 3-year period may appear on the income tax form for the next 3 taxable years. If a
7 checkoff has not received any designations during the previous 3-year period, that
8 checkoff may appear on the income tax form for the next 3 taxable years in place of
9 the lowest ranking checkoff.

10 (e) 1. If more than 8 checkoffs exist under this section after August 14, 2010,
11 and every 3 years thereafter, not including the checkoff under sub. (5fm), only the
12 5 highest ranking checkoffs for which designations were made in the previous 3-year
13 period may appear on the income tax form for the next 3 taxable years.

14 2. The remaining 2 checkoffs for which designations may be made and which
15 shall be placed on the income tax form for the next 3 years, in place of the 2 lowest
16 ranking checkoffs, shall be checkoffs that have not received any designations during
17 the previous 3-year period.

18 3. The 2 remaining checkoffs, described under subd. 2., shall be selected by joint
19 resolution adopted by both houses of the legislature no later than August 1 of the year
20 before the year in which they are to appear on the income tax form.

21 (END)